

## **R307-328**

**2. Title:** Ozone Nonattainment and Maintenance Areas and Utah and Weber Counties:

**3. Type of notice:** Amend

**4. Purpose of the rule or reason for the change:**

The purpose of this amendment is to extend stage I vapor recovery requirements to all counties within the State of Utah.

**6. Summary of the rule change:**

Stage I vapor recovery systems collect vapors resulting from the dispensing of gasoline to underground storage tanks. Stage I vapor recovery requirements were implemented in Salt Lake and Davis Counties in the 1980's and in Utah and Weber Counties in 1999. They have proven to be a successful method of controlling both volatile organic compound (VOC) and hazardous air pollutant (HAP) emissions along the Wasatch Front. Based on 2005 data, it is estimated that approximately 3,595 tons of VOC and 282 tons of HAP have been prevented from entering the atmosphere along the Wasatch Front annually by implementation of Stage I vapor recovery systems. A growing information base indicates that the emission of ozone precursors and the subsequent formation of ozone is no longer an issue only along the Wasatch Front, but is a concern across a broad expanse of the intermountain west, including most of rural Utah. It is estimated that over two thousand tons of VOC and HAP emissions could be eliminated annually if Stage I controls were implemented statewide. With the recent tightening of the National Ambient Air Quality Standard (NAAQS) for ozone, the Air Quality Board is proposing to expand the stage I vapor recovery requirements throughout the State of Utah. R307-342 and R307-328 (see separate filing on R307-342 in this issue) work together to establish the stage I vapor recovery requirements. R307-328 requires gasoline transport vehicles and the bulk plants and service stations that receive gasoline from them to capture vapors released during transfer operations. R307-342 requires that gasoline delivery equipment provide leak-tight loading and off-loading, and specifies procedures by which contractors may become certified to perform leak tightness tests. The Board is proposing a phase in compliance schedule so that larger commercially run companies with large numbers of stations could schedule the implementation of stage I modifications. In addition, this phase-in process would allow smaller private facilities the opportunity to save for the up-front capital costs. The proposal allows for facilities to request two six-month extensions. However, all facilities must be in compliance with this rule not later than April 30, 2011.

**7. Aggregate anticipated cost or savings to:**

- a. State budget:** There are approximately 129 tanks that are all part of the State Fuel Network that include UDOT facilities, school districts, universities, correctional facilities and maintenance facilities. Total cost to modify these underground storage tanks will be approximately \$96,750.
- b. Local government:** Approximately 6 local governments maintain approximately 16 underground gasoline storage tanks. Vapor recovery modification to these tanks will cost approximately \$750 per tank for a total of \$12,000.
- c. Small businesses (fewer than 50 employees) AND persons other than businesses:** Small Businesses: It is estimated that approximately 400 underground storage tanks are operated by small business owners. Individual costs are estimated to be run between approximately \$750 to \$5,000 per tank modification, depending on type of modification and the amount of labor involved to modify each tank. Its estimated

that 22 % of the small business USTs are older than 20 year and would require more labor and equipment to modify the tanks. Estimated total cost for small businesses would be approximately \$ 676,000. Other Person: There may be some additional costs for tank trucks modifications. These are estimated to be approximately \$320 per truck modification. It is impossible to estimate how many truck will need to be modified. However, it's believed that nearly all tank trucks operating in Utah are already equipped with stage I technology. No costs are anticipated to other persons not affiliated with gasoline delivery or dispensing facilities.

**8. Compliance costs for affected persons:**

Individual costs are estimated to be run between approximately \$750 and \$5,000 per tank modification, depending on type of modification and the amount of labor involved to modify each tank. The cost for each bulk plant modification will be approximately \$750 per delivery station. However, we do not have through-put data on any of these rural bulk plants, but we believe that several of them have through-puts less than 3900 gallons per 30 day running period. This would exempt them from Stage I technology requirements. The cost for each delivery truck is approximately \$320, but most trucks already are equipped.

**9. Comments by the Dept head on the fiscal impact the rule may have on businesses:**

Stage I vapor recovery systems have been found to be a successful method of controlling VOC and HAP emissions along the Wasatch Front. Benefit and cost parameters show that implementation of Stage I vapor recovery systems throughout the remainder of the State of Utah would be both cost effective and environmentally beneficial. Making this change now will protect our health, our quality of life, and the environment for years to come. (Rick W. Sprott, Executive Director, Department of Environmental Quality)

**10. Authorizing statute:** 19-2-104(1)(a)

**11. Materials incorporated by reference?**

**12. Public comment and hearing info:** May 14, 2008 at 11 am in Main Conference Room of the Bear River Health Department Environmental Health Building located at 85 East 1800 North, North Logan, Utah. May 20, 2008 at 11:00 am in the Commission Chambers of the Grand County Administration Building located at 734 North Center Street, Duchesne, Utah. May 20, 2008 at 6:00 pm in Room # 4 of the Grand Center located at 182 North 500 West, Moab, Utah. May 21, 2008 at 11:00 am in the Auditorium of the Sevier County Administration Building located at 250 North Main Street, Richfield, Utah. May 21, 2008 at 7:00 pm in City Council Chamber of City Hall located at 175 East 200 North, St. George, Utah. May 22, 2008 at 2:00 pm in City Council Chamber of the Nephi City Office Building located at 21 E. 100 N, Nephi, Utah. May 28, 2008 at 2:00 pm in Room 201 of the DEQ Building at 168 North 1950 West Salt Lake City, Utah.

**13. May become effective on:**

**14. Keywords:** air pollution, gasoline transport, ozone

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**Authorizing signature**

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**Date**